



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: May 25, 2016

TO: All Current and Prospective Health Plans

FROM: Lisa Ellinger, Director – Office of Strategic Health Policy

SUBJECT: *ETF0054* Request for Comment (RFC): Data Request for Request for Proposals (RFP) to Evaluate Self-Insurance and Regional Statewide Health Insurance Program

Consistent with information shared at the May 18, 2016 Group Insurance Board (GIB) meeting, ETF has posted the Request for Comments on the proposed Administration of Self-Funded Health coverage that was initially released on May 4, 2016

Please see below for detailed instructions on responding to this revised RFC. Some of the content of the RFC has been revised as indicated by italicization throughout the document.

Vendors that did not yet respond to the May 4, 2016 RFC are welcome to respond to this RFC by May 31, 2016 at 2:00 p.m. CDT. In addition, any vendors that would like to respond to the revisions/clarifications contained in this RFC are also welcome to respond (again or for the first time) by May 31, 2016 at 2:00 p.m. CDT.

The Department of Employee Trust Funds (ETF) has enlisted Segal Consulting (Segal) to assist in the design and financial evaluation of the RFP to Evaluate Self-Insurance and a Regional / Statewide Health Insurance Program structure, scheduled for release in July 2016. In advance of the July release, prospective proposers will have two opportunities to provide input – this is the first of those opportunities. In this memorandum, we are providing a high-level overview of the strategic framework and description of the data necessary to evaluate the proposals. Current and prospective vendors are encouraged to review each component and provide constructive feedback – also noting any concerns or issues your organization may have.

The second opportunity for input and feedback will involve a preview release of the RFP. Again, prospective proposers will be given the opportunity to review and provide feedback on technical components of the RFP.

1. Region Designation

There are a number of logical regional breaks for ETF to consider. The Wisconsin Department of Health Services (Medicaid) has five defined regions by county. Segal is proposing to use the Medicaid regions for the state and local employee programs. ETF and Segal are open to reviewing alternative approaches that would deliver the best value for the ETF-administered programs.

The regions are listed below with the included counties:

Southern	Southeastern	Northeastern	Western	Northern
Adams	Jefferson	Brown	Barron	Ashland
Columbia	Kenosha	Calumet	Buffalo	Bayfield
Crawford	Milwaukee	Door	Burnett	Florence
Dane	Ozaukee	Fond du Lac	Chippewa	Forest
Dodge	Racine	Green Lake	Clark	Iron
Grant	Walworth	Kewaunee	Douglas	Langlade
Green	Washington	Manitowoc	Dunn	Lincoln
Iowa	Waukesha	Marinette	Eau Claire	Marathon
Juneau		Marquette	Jackson	Oneida
Lafayette		Menominee	La Crosse	Portage
Richland		Oconto	Monroe	Price
Rock		Outagamie	Pepin	Sawyer
Sauk		Shawano	Pierce	Taylor
Vernon		Sheboygan	Polk	Vilas
		Waupaca	Rusk	Wood
		Waushara	St. Croix	
		Winnebago	Trempealeau	
			Washburn	

Please visit the DHS website at <https://www.dhs.wisconsin.gov/aboutdhs/regions.htm> for additional information.

Note that data will be requested with this regional strategy in mind; however, ETF may recommend combining regions, if determined that consolidation will improve plan value. There will be an opportunity to bid on all regions for prospective bidders interested in serving the entire state employee population.

2. Network Access

ETF will require an accessibility Report (GeoAccess, or similar software) for each region and statewide. This will be used to evaluate member accessibility to network providers and facilities. For each region, and statewide, the vendor will be required to provide a summary of members with and without access to network providers/facilities within established mileage, such as the parameters outlined below. There will also be county breakouts. The data collected will be used objectively and in conjunction with other

information submitted with the RFP, meaning prospective vendors will not be automatically disqualified solely on the basis that a parameter is not met.

ETF requests feedback on the most effective approach to thoughtfully analyze network access. The following chart outlines one approach with established parameters. Please note that this is for illustrative purposes only, and is intended to stimulate feedback for consideration.

Provider Type	Urban	Non-Urban
Facilities		
<i>Hospitals</i>	<i>1 within 20-mile radius</i>	<i>1 within 35-mile radius</i>
<i>Ambulatory Surgical Centers</i>	<i>1 within 20-mile radius</i>	<i>1 within 35-mile radius</i>
<i>Urgent Care facilities</i>	<i>1 within 20-mile radius</i>	<i>1 within 35-mile radius</i>
<i>Imaging Centers</i>	<i>1 within 20-mile radius</i>	<i>1 within 35-mile radius</i>
<i>Labs</i>	<i>1 within 20-mile radius</i>	<i>1 within 35-mile radius</i>
<i>Dialysis Centers</i>	<i>1 within 20-mile radius</i>	<i>1 within 35-mile radius</i>
<i>Inpatient Behavioral Health Facilities</i>	<i>1 within 20-mile radius</i>	<i>1 within 35-mile radius</i>
Professional Services		
<i>General/Family Practitioner</i> <i>(includes Internal Medicine, Family Medicine, and General Medicine)</i>	<i>2 within 10-mile radius</i>	<i>2 within 20-mile radius</i>
<i>OB/GYN (female members, age 12 and older)</i>	<i>2 within 10-mile radius</i>	<i>2 within 20-mile radius</i>
<i>Pediatrician (birth through age 18)</i>	<i>2 within 10-mile radius</i>	<i>2 within 20-mile radius</i>
<i>Chiropractor</i>	<i>2 within 10-mile radius</i>	<i>2 within 20-mile radius</i>
Specialties and Sub-Specialties		
Specialists		
<i>Allergist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Cardiologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Dermatologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Endocrinologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>General Surgery</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Gastroenterologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Hematologist/Oncologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Nephrologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Neurologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Ophthalmologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Orthopedic</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>

<i>Otolaryngologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Urology</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Pediatric Specialists (birth through age 18)</i>		
<i>Cardiologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Endocrinologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Hematologist/Oncologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Neurologist</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Orthopedic</i>	<i>2 within 10-mile radius</i>	<i>2 within 35-mile radius</i>
<i>Behavioral Health</i>		
<i>Psychiatrists</i>	<i>2 within 20-mile radius</i>	<i>2 within 50-mile radius</i>
<i>Masters level and above</i>	<i>2 within 20-mile radius</i>	<i>2 within 50-mile radius</i>
<i>Partial Hospitalization and Intensive Outpatient Programs (no residential treatment centers)</i>	<i>1 within 30-mile radius</i>	<i>1 within 50-mile radius</i>
<i>Other</i>		
<i>Registered Dietitian</i>	<i>1 within 20-mile radius</i>	<i>1 within 35-mile radius</i>
<i>Palliative/Hospice</i>	<i>1 within 20-mile radius</i>	<i>1 within 35-mile radius</i>

The submitted access reports (mapping and accessibility analysis) must demonstrate provider availability for EACH provider group type listed above in the network access standard table. In the production of the reports please note the following:

- Proposer must utilize Optum™ GeoAccess® GeoNetworks, or comparable software.
- The access report must indicate those members with access and those without access according to network access standards above, by county. In addition, each access report must indicate the average distance from the member's resident zip code to the contracted provider.
- The access reports should include providers under contract as of July 1, 2016, and may also include providers that have entered a legally binding Letter of Intent or Letter of Agreement with the proposer.
- Provide separate reporting for each network proposed, including narrow network alternatives.
- Separate reports are to be provided for Urban and Non-Urban access standards, based on all zip codes in Wisconsin. Proposer must submit the completed Excel summary grid(s), provided in the RFP, along with the actual access report(s).

3. Repricing File

Each vendor will receive a repricing file containing ETF member claims experience for the most recent 12-month period available. The information will contain some of the elements listed in the current fully insured contracts – Addendum 1, Table 13

(<http://eff.wi.gov/employers/contracts/2016-addendums.pdf>). The only financial field provided will be the provider billed amount representing submitted charges for covered services. No current contracting information will be included.

A summary of the fields that *are anticipated* to be included in the repricing file can be found in Appendix 1. Please review the file and provide comments if additional information is needed for repricing of claims.

4. Network Discounts

Using the repricing file above, the vendors will be asked to provide the contracted allowed amount for each service in the file. The file will contain six fields to populate:

- Current Network Status – Y/N
- Current Contract Amount
- 2018 Projected Network Status – Y/N/L (L = Letter of Agreement)
- 2018 Projected Contract Amount
- Proposed Capitated Service – Y/N
- Capitated Description – if capitated, provide description

The first 4 fields will allow vendors to identify their current networks with contracted amounts, any contractual network improvements already in place for 2018, and 2018 projected networks including providers that have entered a legally binding Letter of Intent or Letter of Agreement with the bidder.

The last two fields will allow vendors to identify services that will be proposed as part of a capitation arrangement; however, the contractual equivalent fee-for-service amount should also be included within the first 4 fields.

The file should be repriced for each network being offered by the vendor, including narrow network alternatives.

5. Market Pricing

The Uniform Data Specifications workgroup, facilitated by Milliman and Red Quill Consulting, is a collaborative effort between many major insurance carriers and consulting firms. The intent is to discuss and reach consensus on the definition of financial terms, claims categories, and general methodology of data files provided to consulting firms for discount comparison.

Segal has utilized this approach for many large clients and is recommending implementing as an additional comparative point on this procurement. Please see the detailed attachment (Discount Data Specifications) on how the data is to be collected and summarized.

The data is aggregated by 3-digit zip code, network, network status, place of service, and procedure code, among other fields. We will be able to aggregate this information for the 3-digit zip codes where the plan's participants reside and provide a summary comparison at the Metropolitan Statistical Area (MSA), Region or Statewide level.

Note that there is no specific provider information included in this analysis. *ETF will likely request data for Calendar Year 2015 vs. that identified in the attachment.*

Please confirm that you can report: inpatient by DRG, outpatient by categories defined, and professional by procedure codes defined. We understand this is not a simple request and are providing this early to allow appropriate time for coding and testing.

6. Capitation

ETF understands that there may be capitation arrangements that could be in the best interest of *ETF* to maintain, such as primary care services or labs. *ETF* will require the vendor to identify which services would be capitated in the data and provide the proposed capitation rate to be charged to *ETF* for those services. *ETF* would expect the repricing file to identify them as in-network and capitated.

7. Other Supporting Files

There are a number of other files that *are anticipated to be requested* in the process. These include:

- Network Providers
- Membership Summaries
- Book-of-Business Summaries – utilization and cost focused on per member
- Non-disclosure, confidentiality and trade secrets – *ETF* understands the importance of this requirement and will *ensure procedures are in place and documentation is created to address these concerns.*

8. Contact Information

Responses, and any questions concerning this request, should be sent directly to *ETF*. The *ETF* contact is:

Michael D. McNally, Jr.
Purchasing Agent - Senior
Wisconsin Department of Employee Trust Funds
Direct Line: (608) 261-9032
Email: ETFMBProcurement@etf.wi.gov

9. Miscellaneous

Please note, providing a response to this RFC is not a prerequisite to submitting a future bid or proposal. Nor would the contents of any response to this RFC be considered in the review or evaluation of future bids or proposals.

This RFC is issued solely for information and planning purposes, and does not constitute a solicitation. Responses to the RFC will not be returned. Responses to this RFC are not an offer and cannot be accepted by the State to form a binding contract. The State of Wisconsin is not liable for any cost incurred by the vendor in response to this RFC.

The State of Wisconsin's purchasing information and Vendor notification service is available to all businesses and organizations that want to sell to the state. Anyone may access VendorNet on the Internet at <http://vendornet.state.wi.us> to get information on state purchasing practices and policies, goods and services that the state buys, and tips on selling to the state.

10. Submitting a Response

The Vendor will submit the following:

1. *One (1) file folder of all un-locked and non-password protected electronic Response files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 format. The file folder must be labeled "[Vendor Name] ETF0054 RESPONSE";*
2. *One (1) file folder of all electronic Response files **EXCLUDING or REDACTING all confidential and proprietary information** in the format of Microsoft Word/Microsoft Excel, or Adobe Acrobat 9.0 format. This file folder must be labeled "[Vendor Name] ETF0054 REDACTED RESPONSE". This is the file that will be submitted to requestors for open records requests. Note that no matter what method the Vendor uses to redact, ETF is not responsible for checking that the redactions match the Vendor's Designation of Confidential and Proprietary Information (DOA-3027) form. Vendor should be aware that ETF may need to electronically send the redacted materials to members of the public and other Vendors when responding appropriately to open records requests. ETF is not responsible for checking that redactions, when viewed on-screen via electronic file, cannot be thwarted. ETF is not responsible for responding to open records requests via printed hard copy, even if redactions are only effective on printed hard copy. ETF may post redacted Responses on ETF's public website in exactly the same file format the Vendor provides, and ETF is not responsible if the redacted file the Vendor provides does not adequately protect the information when the redacted file is copied and pasted, uploaded, emailed, or transferred via any electronic means.; and,*
3. *DOA-3027 Designation of Confidential and Proprietary Information form.*

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Responses must be sent via electronic mail (e-mail) to ETF SMBProcurement@etf.wi.gov. The e-mail subject line shall be in the following format:

RFC ETF0054 – Response: [Vendor's name]

*Response due by **May 31, 2016 2:00 PM CDT***

This revised RFC will be posted on ETF's vendor Extranet site and on the state VendorNet system.

The Vendor's Response shall include examples and other attachments.as necessary.

Upon receipt and review of the submitted Responses, ETF may seek clarification from certain or all Vendors.

ETF greatly appreciates your participation and assistance.

Appendix 1 – Repricing Data File

Field Name	Field Description	Examples/Notes
EligibilityStatus	Active Employee, Non-Medicare Retiree, Medicare Retiree, Grad Assistant	Active Employee (1); Non-Medicare Retiree (2); Medicare Retiree (3); Grad Assistant (4)
ServiceCategory	Service Category Code	See Service Category Codes in Table 14 for complete listing
ClaimNumber	Medical claim number	An assigned number that identifies a claim
ClaimLineNumber	Line number of the claim	Identifies the line item detail for each service provided
MemberID	Member identification number	Deidentified Member ID
Gender		
Age		
NPI		National Provider Identification number (NPI)
TIN		Provider Tax Identification Number (TIN)
ProviderName	Name of provider	
ProviderAddress	Address of provider	
ProviderCity	City of Provider	
ProviderState	State of Provider	
ProviderZipCode	Zip code of Provider	
ProviderSpecialty	Specialty description	Use CMS Standard Coding
PlaceOfServCode	Place of service code	Use CMS Standard Coding
ProcTypeFlag	Procedure code type	Code which indicates what types of codes are in the procCode field CPT4 (C), HCPCS (H), revenue codes (R), and DRG, ICD9Proc codes (D)
ProcCode	Procedure code	Code for the medical procedure performed. Types of codes include CPT4, HCPCS, revenue codes, etc. If non-standard codes are used, code descriptions are required.
ModifierCode	Modifier code for procedure	Used to further define the medical procedure code
PrimaryDiagCode	ICD-9 code or ICD10 if applicable	
Diag2Code	Additional ICD-9 code or ICD10 if applicable	
Diag3Code	Additional ICD-9 code or ICD10 if applicable	

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Diag4Code	Additional ICD-9 code or ICD10 if applicable
DRG	DRG Code
ServiceFromDate	Date of service start
ServiceToDate	Date of service end
Service Units	Number of units
Discharge Status	Use CMS Standard Coding
ClaimPaidDate	Date claim paid
BilledAmount	Amount billed